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## INTRODUCTION

175 Her greatest disaster came in 1795 when, together with Poland, she was partitioned between Russia and Prussia. The greater part of ethnographic Lithuania was given to Russia and the lesser part, to Prussia.

Even though the Lithuanian-Polish state collapsed, the Lithuanian nation continued to exist, although it was badly impaired and its size diminished by more than two thirds.

642 Lithuanians were under the stern rule of Czarist Russia

648 for 123 years until, on the 16th of February, 1918, the National Council in Vilnius (Vilna) declared Lithuania an independent state, with ancient Vilnius as its capital.<sup>7</sup> On July 12, 1920, during the war between the Soviets and the Poles, Lithuania signed in Moscow with the Soviet government a peace treaty by which the city of Vilnius with the region about it was assigned to Lithuania.<sup>8</sup>

726 But the old Polish scheme began to manifest itself again.

648 After defeating the Soviet troops near Warsaw, the Poles appeared on the southern Lithuanian frontier and precipitated fighting with the Lithuanians. Finding the going more difficult than they expected, the Poles started negotiations which were carried on under the supervision of the League of Nations and resulted in the conclusion of the Treaty of Suwalki<sup>9</sup> on October 7, 1920.<sup>10</sup> Two days later, however, the special Polish army, commanded by General Zeligowski, took the Lithuanians completely by surprise and occupied the city of Vilnius and the Vilnius region, comprising almost one third of ethnographic Lithuania. This treacherous act re-

<sup>7</sup> See Appendix A for the text of the Declaration of Independence.

<sup>8</sup> Pranas Dailide, *Lietuvos Sutartys su Svetimomis Valstybėmis*, Uzdėniu Reikalų Ministerijos leidiny, Tomas I, 1919-29. Recueil des traités conclus par la Lithuanie avec les pays étrangers, Publié par le Ministère des Affaires Étrangères. I (1919-29), 30-52. See Appendix B for the extract from the text of the peace treaty with Russia.

<sup>9</sup> Dailide, *op. cit.*, pp. 58-61.

<sup>10</sup> See Appendix C for the text of the Treaty of Suwalki.

## INTRODUCTION

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ceived well-merited censure from the League of Nations. 648 ●  
Léon Bourgeois, then president of the League, officially referred to this occupation, verbally and in writing to Paderewski, Polish delegate to the League, as "a violation of the undertakings given to the Council."<sup>11</sup> But neither then nor throughout the subsequent years of their country's independent existence did the Polish government once attempt to adjust the grave injustice committed against its neighbor in violation of its own treaty.<sup>12</sup> Instead, the Polish government sought to legalize its *fait accompli* by local elections. In regard to this measure, Hymans, then spokesman for the League of Nations, at the seventh sitting of the Council at Brussels, said:

In the opinion of the Council, the plebiscite should be taken in conditions of absolute freedom. It should be sincerely and quickly done. But this has become impossible on account of the *coup de force* of General Zeligowski. The League of Nations did not desire a camouflaged plebiscite or the maintenance of these troupes in the Vilna region.<sup>13</sup>

But the Polish government managed the elections for the so-called *Vilna Seim* (diet), whose delegates voted an act of incorporation of the Vilnius region into the Polish state. The Council of the League of Nations, however, in its resolutions of January 13, 1922, refused to recognize the legality of the elections conducted under these unfair conditions.<sup>14</sup>

On March 15, 1923, the Conference of Ambassadors put into effect a decision handing over to Poland Vilnius and

<sup>11</sup> *The Vilna Question; Opinion of MM. A. De Lapradelle, Louis le Fur, and Andrew N. Mandelstam concerning the Binding Force of the Decision of Conference of Ambassadors of March 15, 1923.* Authorized Translation from the Original Texts, London, 1929, p. 15.

<sup>12</sup> Lithuanian Information Bureau, *The Vilna Problem*, London, 1922, p. 16. (Hereafter referred to as L.I.B.)

<sup>13</sup> *Ibid.*, p. 17.

<sup>14</sup> *Ibid.*, pp. 24-25.

## INTRODUCTION

- 648 adjoining districts. This decision, which was met by vehement protests on the part of Lithuania to the League of Nations, was never recognized by the Lithuanian government. According to such an authority on international law as André Mandelstam, the Lithuanian government is not bound by the decision of the Conference of Ambassadors. In his opinion, "The Government of the Lithuanian Republic is not bound, either in law or equity, by the decision of the Conference of Ambassadors of March 15, 1923, regarding the Polish-Lithuanian frontiers."<sup>15</sup>

Thus the Vilnius incident was the first failure of the League of Nations to exact respect for its authority from a recalcitrant member (Poland). This example, which was later followed by other states, poisoned international relations, in the course of years reduced the authority of the League of Nations to the lowest ebb, and finally resulted in the League's complete inability to solve international disputes.

Lithuania, in protest, broke off diplomatic, consular, political, and economic relations with Poland. On March 17, 1938, when the lawlessness in international relations in Europe was nearing a peak, the Polish government, with tacit German consent, delivered to Lithuania an ultimatum, which was backed by the massing of troops on the "demarcation line."<sup>16</sup> Lithuania had no choice but to accept the ultimatum, and relations were restored at least nominally between the two countries. At that time Germany and Poland were on the friendliest terms. Despite Poland's hostile attitude toward Lithuania, the latter kept the most friendly

<sup>15</sup> *The Vilna Question*, p. 91.

<sup>16</sup> See Appendix D for the text of the ultimatum. The "demarcation line" was claimed by the Poles as the legal boundary between Lithuania and Poland but was never recognized by the Lithuanians.

## INTRODUCTION

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neutrality toward Poland in the hour of distress during the 648 ●  
German-Polish war.

On March 22, 1939, Germany, under the threat of invasion, forced Lithuania to surrender Klaipeda. After Poland collapsed in September, 1939, Soviet Russia seized Vilnius and, according to the Mutual Assistance Pact of October 10, 1939,<sup>17</sup> returned it to Lithuania together with 2,569 square miles of territory. On June 15, 1940, Soviet Russia, subse- 726  
quent to its ultimatum, invaded and occupied Lithuania. Almost exactly a year later, on June 23, 1941, the Lithuanians seized an opportunity to start a violent uprising against the Russians, but already the Germans were pouring in from the south and west. They overran Lithuania, dispersed the newly organized Lithuanian government, and started a new period of oppression, Nazi style.

## THE POPULATION PATTERN

The Lithuanians were famous from ancient times for 181  
their physical health, strength, and vitality. Even today there is still a substantial percentage of elderly persons who have never taken medicine and have never been seriously ill. In general, Lithuanians are farm-loving people, industrious and peaceful. Being great individualists, the Lithu- 369  
anians prefer to live on farms because it keeps them close to nature and at the same time affords every man a greater chance of being "his own boss." The cities of Lithuania are therefore inhabited by minorities, mostly Jews. Even in present-day Lithuania, the towns do not show the real character of the nation, as the influx from the farms to the cities has never been strong enough to change the political, economic, and social conditions that have existed for several centuries.

<sup>17</sup> See Appendix E for the text.

## INTRODUCTION

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## THE LAND AND ITS RESOURCES

Lithuania is situated on the southeastern shore of the Baltic Sea between 53°35' and 56°27' north latitude and between 20°57.5' and east longitude. The two other Baltic states, Latvia and Estonia, are farther north. 131

The surface of Lithuania is for the most part level, with none of her hills measuring more than 767 feet (234 meters) above sea level. In size, the nation has less than six percent of the territory of Europe, its area being 21,489 square miles. This figure, however, does not include all the territory of ethnographic Lithuania, which is about 33,937 square miles, divided as follows: [133]

|                                                                            | SQ. MI. | SQ. KM. |
|----------------------------------------------------------------------------|---------|---------|
| Lithuania Major                                                            | 20,389  | 52,820  |
| Klaipeda (Memel) Territory                                                 | 1,100   | 2,850   |
| Lithuania up to March 22, 1939                                             | 21,489  | 55,670  |
| Vilnius Region according to the Peace Treaty of July 12, 1920, with Russia | 12,448  | 32,250  |
| TOTAL                                                                      | 33,937  | 87,920  |

According to the Mutual Assistance Treaty between Lithuania and Soviet Russia, concluded October 10, 1939, part of the Vilnius region, about 2,569 square miles (6,656 square kilometers), was returned to Lithuania. However, all figures of economic activity used in this monograph refer to the territory of 21,489 square miles (55,670 square kilometers) that was under the sovereignty of Lithuania from January, 1923, to March 22, 1939. 648 131

Lithuania uses a larger percentage of its land for intensive agricultural purposes than its neighboring Baltic states. This may be seen from the comparative figures given in Table 4. 311

436 twenty-first as great. In January, 1919, the rate of exchange was 8.27 marks to the dollar, while one year later, in February, 1920, it was 98.994 marks, and in the beginning of 1922, 200 marks. On October 1, 1922, the day redemption of the *Obost* marks commenced, one dollar equaled 1,650 marks; on October 2, 1,815 marks. Russian rubles were redeemed on October 1, 1922, at 0.004 litas.<sup>4</sup>

453 A special law for the establishment of *Lietuvos Bankas* (the Bank of Lithuania) was passed on August 11, 1922.<sup>5</sup> The financial basis of the bank is 12,000,000 litas capital stock consisting of 120,000 shares of 100 litas par value [656] each. Although *Lietuvos Bankas*, before Soviet occupation, was a private enterprise in its organization, it was under government control and the general director was appointed by the president of the republic upon recommendation of the Council of Ministers. The Law of Establishment of the *Lietuvos Bankas* grants a special concession to permit the issuance of notes for twenty years, which period may be prolonged by law.

436 With the first issue of litas notes on October 1, 1922, the  
652 redemption of the *Obost* marks at the market exchange rate  
● 648 was begun. The Russian rubles at that time were almost worthless, and the value of *Obost* marks was just a fraction of the original value. This caused a great loss to the population of Lithuania, wiping out everybody's savings and creating generally chaotic credit conditions. There is no question but that Germany was responsible for the inflation and loss in the value of *Obost* marks and that Lithuania had the right to demand reparations. Negotiations for that purpose were

<sup>4</sup> Karys Sruoga, *Die Wirtschaft der Republik Litauen und ihre Notenenmission*, Kaunas, 1930, pp. 15-18.

<sup>5</sup> *Lietuvos Bankas, First Decade, 1922-1932*, Kaunas, 1932, pp. 10-14; *V.Z. Nr. 199*, par. 1347.

## FINANCE

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started in March, 1922, in Kaunas. Reparation was sought 436  
for the compulsory introduction of *Obost* marks and the use 652  
of issuance rights from August, 1916, until November, 1919, 648 ●  
when the German army finally withdrew. The loss to Lithu-  
ania was estimated at 5,383 million marks, which sum was  
demanded by the Lithuanian delegation. Due to the fact  
that the Germans refused to recognize these demands, ne-  
gotiations were discontinued. They were resumed in Berlin  
in May, 1923.<sup>6</sup> These negotiations resulted in a treaty con-  
cluded on May 31, 1923, of which the first paragraph says:  
"Both contracting parties agree not to raise any claims  
against each other, originating from events of the World  
War." <sup>7</sup>

After three months of operation of Lietuvos Bankas—that 453  
is, on December 31, 1922—there were 30.38 million litas in 436  
circulation. The coverage in gold of the notes in circulation  
accounted for 50 percent and that in gold and foreign ex-  
change for 109.1 percent. The amount of litas in circulation  
grew, while the coverage in gold decreased somewhat, but it  
was never less than the one-third prescribed by law. Thus  
on December 31, 1923, there were 60.07 million litas in circula-  
tion; in 1924, 92.98; in 1925, 81.92; in 1926, 86.79; and  
in 1927, 96.61.<sup>8</sup>

The issue activities of Lietuvos Bankas in later years are  
indicated by Table 48. At the end of 1938 the notes in circula-  
tion amounted to 141.70 million litas, exceeding the previ-  
ous all-time high of 1930, while in April, 1939, it reached  
181.65 millions, a new all-time peak. The coverage in gold

<sup>6</sup> A. Moravskis, *Lietuvos Finansai, Pinigai, kreditas ir bankai Lietuvoje pries kara ir dabar*, II dalis. (The Finance of Lithuania: Money, Credit and Banking in Lithuania before the War and at Present. Part II), Kaunas, 1925, pp. 33-35.

<sup>7</sup> Dailide, *op. cit.*, p. 199; V.Z. Nr. 173, par. 1197.

<sup>8</sup> *Lietuvos Bankas Bulletin*, Feb. 19, 1932, p. 18.

## SUMMARY AND CONCLUSIONS 113

and dairying. Furthermore, her war-torn industry has been reconstructed to suit her own particular needs. 178

Her foreign trade has been showing almost continuous expansion. Her increased production, as well as consuming power, bespeak an attendant higher standard of living. All these facts certainly justify Lithuania's participation in the family of nations and her existence as a separate independent economic entity.

The future course of Lithuania's economic development cannot be predicted because of the series of political crises of 1939, 1940, and 1941. On March 22, 1939, Lithuania was forced to agree to the cession of Klaipeda to Germany. Though Lithuania was given a so-called "free zone," the effect was as of being forced to gasp for air with someone else's lungs. Through this cession Lithuania not only lost 703,741 acres of territory (5.1 percent of her total area) but was deprived of 13 percent of her industry, with 26 percent of her wage earners. The total industrial production of Klaipeda territory in 1937 amounted to 116 million litas, or 30.7 percent of Lithuania's total production. 648 ●

Before Lithuania had time to adjust her national economy to the new conditions, the war broke out between Germany on the one side and Poland and the Allies on the other. This upset the normal economic life even more. The immediate result of the war was the partition of Poland between Germany and, as a silent partner, Soviet Russia. This was soon followed by the signing of mutual assistance pacts between Soviet Russia on the one side and Estonia, Latvia, and Lithuania on the other. Baltic states actually had no other choice than to sign on the dotted line.

Lithuania signed her pact on October 10, 1939, thereby regaining Vilnius, with 2,569 square miles of territory and

## 114 SUMMARY AND CONCLUSIONS

- 648 about 457,500 inhabitants, although according to the Peace Treaty between Lithuania and Soviet Russia of July 12, 1920, Lithuania should have regained 12,448 square miles. Lithuania's industry was partly compensated for the loss of Klaipeda. But the industry in the Vilnius territory is not nearly as developed as that in the Klaipeda region. According to the approximate statistics there are in that part of the Vilnius territory which was returned to Lithuania 159 industrial establishments with 5,900 employees. Also, the agricultural standard in this region is substantially below that in other sections of Lithuania. As a step toward improving agricultural and social conditions, the government of Lithuania was about to put into effect its land reform act of 1922, but the Soviet occupation in June, 1940, interrupted this work.

725 The next blow to the country's fortunes came as a result of the sudden outbreak of war between Germany and Soviet Russia on June 22, 1941. On the following day, Lithuanian patriots arose in rebellion against Bolshevik terrorism and the institution of mass deportations of Lithuanians to Siberia; they were successful enough to drive the Bolsheviks from Kaunas, Vilnius, and other Lithuanian cities. The Lithuanians set up at once a provisional government. But soon the Germans, in pursuit of the retreating Red Army, overran all of Lithuania, dissolved the Lithuanian government, and by autocratic decrees began to shape their economy more to the Nazi-prescribed pattern of "the new order."

000 As the year 1941 drew to a close, all freedom of action in Lithuania—political, social, and economic—was still suspended. The nation is fully conscious that her future holds another struggle for independence and for a new reconstruction. Lithuania, like many other small nations through-

## Appendix A

# THE DECLARATION OF INDEPENDENCE<sup>1</sup>

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The Council of Lithuania in its meeting on February 16, 1918, voted unanimously to address the governments of Russia, Germany, and other states with the following declaration:

The Council of Lithuania, sole representative of the Lithuanian people, in conformity with the recognized right to national self-determination, and in accordance with the resolution of the Lithuanian Conference held in Vilnius from September 18 to 23, 1917, hereby proclaims the restitution of the independent State of Lithuania, founded on democratic principles, with Vilnius as its capital, and declares the rupture of all ties which formerly bound this State to other nations.

The Council of Lithuania also declares that the foundation of the Lithuanian State and relations with other countries will be finally normalized by a Seimas (parliament), elected in a democratic way by the people of Lithuania.

The Council of Lithuania in informing [the nations addressed] to this effect kindly requests recognition of the independent State of Lithuania.

Vilnius, February 16, 1918

*Signed:*

|                     |                     |                 |
|---------------------|---------------------|-----------------|
| L. BANAITIS         | P. KLIMAS           | K. SAULYS       |
| DR. J. BASANAVICIUS | DONATAS MALINAUSKAS | J. SERNAS       |
| M. BIRZISKA         | VL. MIRONAS         | A. SMETONA      |
| K. BIZAUSKAS        | S. NARUTAVICIUS     | J. SMILGEVICIUS |
| P. DOVYDAITIS       | ALFONSAS PETRULIS   | J. STAUGAITIS   |
| S. KAIRYS           | DR. J. SAULYS       | A. STULGINSKIS  |
| J. VAILOKAITIS      | J. VILEISIS         |                 |

<sup>1</sup> Author's translation from the original Lithuanian.

## Appendix B

EXTRACT FROM THE PEACE  
TREATY WITH RUSSIA

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Lithuania on the one part and Russia on the other being determined to base their future mutual relations on justice and right, which would grant to both countries and their peoples the benefits of earnest and peaceful neighborly relations, have to this end decided to start negotiations and have appointed as their delegates:

For the Democratic Republic of Lithuania:

TOMAS NARUSEVICIUS  
PETRAS KLIMAS  
SIMONAS ROZENBAUMAS  
JUOZAS VAILOKAITIS  
VYTAUTAS RACKAUSKAS

And for the Federated States of the Soviet Socialist Republics of Russia:

ADOLF ABRAMOVICH IOFFE  
ULIAN USEFOVICH MARCHLEVSKI  
LEONID LEONIDOVICH BOBLENSKI

The said delegates, having submitted their credentials to one another and found them in good form and order, have agreed on the following:

## ARTICLE I

Pursuant to the declaration made by the Federated States of the Soviet Socialist Republics of Russia to the effect that all peoples have the right to self-determination until they become

## PEACE TREATY WITH RUSSIA 121

completely separated from the state of which they are a part, Russia without any prejudice recognizes the self-rule and independence of the State of Lithuania with all the juridical consequences resulting from such recognition and for all time renounces with good will all the sovereignty rights of Russia, which it has had in regard to the Lithuanian nation or territory.

The fact that Lithuania ever was under Russian sovereignty does not place the Lithuanian people and the nation or territory under any obligations to Russia.

NOTE: This treaty, consisting of nineteen paragraphs, was signed in Moscow on July 12, 1920, and ratified on August 6, 1920, and it became effective on October 14, 1920.

## Appendix C

# LITHUANIAN-POLISH PACT

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*Agreement between Lithuania and Poland with Regard to  
the Establishment of a Provisional Modus Vivendi Pending  
a Definite Settlement of Relations between the Two States,  
Signed at Suvalkai, October 7, 1920<sup>1</sup>*

The Delegation of the Government of Lithuania, composed of:

- (1) Representatives of the Lithuanian High Command, Lieutenant General Maksimas Katche, and Commander Aleksandras Sumskis,
- (2) Representatives of the Ministry for Foreign Affairs, Messrs. Bronius Balutis, Voldemaras Carneckis, and Mykolas Birziska,

and the Delegation of the Government of Poland, composed of:

- (1) Representative of the Polish High Command, Colonel Mieczyslaw Mackiewicz,
- (2) Representative of the Ministry for Foreign Affairs, Juliusz Lukasiewicz,

met at the Conference held at Suvalkai from September 30 to October 7, 1920, and, after presenting their credentials, which were found to be in good and due form, concluded the following Agreement:

### ARTICLE I: THE LINE OF DEMARCATION

(a) A line of demarcation, which in no way prejudices the territorial claims of the two Contracting Parties, shall be fixed and shall be marked by the following points:

<sup>1</sup> Translation from the Lithuanian by the author.

## LITHUANIAN-POLISH PACT 123

From the frontier of East Prussia to the confluence of the Juodoji Ancia (Tcharna-Hantcha) with the Nemunas (Niemen) river, i. e., the line fixed by the decision of the Supreme Council on December 8, 1919; thence along the Nemunas river to the mouth of the Grave river; then up the course of the Grave to the point at which it is crossed by the road Merkyne-Ratnycia (Noretch-Rotnitsa); thence in a straight line to the confluence of the Skruoblis with the Merkys river (Meretchanka); thence along the Merkys to the mouth of the Dereznica (Derechnitsa), leaving the village of Salavarciai (Solovertsy) on the Lithuanian side and the village of Male Dubno on the Polish side; thence along the Dereznica (Derechnitsa) to the spot where it is crossed by the Vilnius-Varena (Vilna-Orany) railway, about two kilometers northeast of Varena station; thence along the road through Bartoliai-Kuciai (Bartole-Kucie), Naujadvaris (Nowy-Dvor), Eiske (Eishishki), Paditve (Podsitwa), Gorodonka, and the station of Bastunai (Bastuny), leaving this road and the Bastunai station in the hands of the Polish authorities.

(b) When hostilities between the Polish and Lithuanian troops have ceased, in conformity with Article 2 of the present Agreement, the line defined above may not under any pretext be crossed by the troops of the two Contracting Parties. Nevertheless, the existence of this line shall not prevent the farmers from cultivating their fields situated on either side of it.

(c) The marking out on the ground of the line of demarcation in those parts of the territory of the former Government of Suvalkai, which are referred to in the decision of the Supreme Council of December 8, 1919, shall be entrusted to the Commission of Control of the League of Nations.

## ARTICLE 2: CESSATION OF HOSTILITIES

(a) The two Contracting Parties, confirming and completing the Agreements for the cessation of hostilities between the Polish and Lithuanian armies, which have been accepted during the present Conference, and which have only a provisional character and relate only to certain places, undertake to cease hostilities throughout the entire length of the line of demarcation described

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728 in Article 1, paragraph (a) of the present Agreement from the frontier of East Prussia to the meridian of Paturciai (Paturse), about nine kilometers southeast of Eisiske.

(b) After the withdrawal of the Soviet troops to the east of the Vilnius-Lyda railway, military operations between the Polish and Lithuanian troops shall cease on the sector of the line of demarcation between the meridian of the village of Paturciai and the station of Bastunai inclusively.

(c) As regards the cessation of hostilities and the establishment of a line of demarcation between the Lithuanian and Polish troops in the region to the east of the meridian of the station of Bastunai, these questions shall be settled by a special agreement when the Soviet troops have been withdrawn from that region. In case of failure to arrive at such an agreement, the two Contracting Parties reserve the right to appeal to the League of Nations for a solution of these questions.

## ARTICLE 3: THE STATION OF VARENA

(a) The Polish authorities undertake to allow Lithuanian trains (except troop trains and trains conveying war material) to pass in either direction between Alytus and Vilnius and to afford to Lithuanian trains at Varena station all assistance and technical facilities for free movement in either direction.

(b) As an exception, the Polish Government consents to allow trains conveying troops and war materials proceeding from Alytus to pass freely through Varena station, provided that the total number of such trains does not exceed seven, that not more than two trains pass in one day, and that they pass through Varena station between seven and seventeen o'clock [Polish time].

(c) The supervision of the execution of the provisions contained in paragraphs (a) and (b) of the present Article shall be entrusted to the Commission of Control of the League of Nations.

## ARTICLE 4: EXCHANGE OF PRISONERS

The two Contracting Parties declare that they mutually agree

## LITHUANIAN-POLISH PACT 125

in principle to exchange all prisoners taken by either Contracting Party. The order and date of exchange shall be decided by separate agreement. 648 728

### ARTICLE 5: DURATION OF AGREEMENT, ETC.

The present Agreement shall come into force at noon on October 10, 1920. This date, however, shall not affect the cessation of hostilities where this has actually taken place. The Agreement shall remain in force until all territorial disputes between Poles and Lithuanians have been finally settled.

In drawing up the present Agreement the two Contracting Parties have used the German General Staff Map, scale 1:100,000.

The present Agreement is done in duplicate in the Lithuanian and Polish languages, and signed at Suvalkai, on October 7, 1920.

For the Lithuanian Delegation:

LIEUTENANT GENERAL M. KATCHE

BRONIUS BALUTIS

VOLDEMARAS CARNECKIS

MYKOLAS BIRZIŠKA

MAJOR ALEKSANDRAS SUMSKIS

For the Polish Delegation:

COLONEL M. MACKIEWICZ

J. LUKASIEWICZ

## Appendix D

### THE POLISH ULTIMATUM TO LITHUANIA, MARCH, 1939<sup>1</sup>

On the 17th of March, 1938, at 9 P. M. the Lithuanian Minister in Tallinn received through the Polish Minister of that capital the following ultimatum:

By order of my Government I have the honour to communicate to Your Excellency the following:

1. The proposal of the Lithuanian Government of the 14th instant cannot be accepted because it does not give sufficient guarantees regarding security on the frontier, particularly in view of the negative results of all previous attempts at negotiations between Poland and Lithuania.

2. In view of this, the Polish Government declare that they consider that the sole solution which corresponds to the gravity of this situation is that of immediately establishing normal diplomatic relations, without any preliminary conditions whatsoever, this being the only way to regulate questions of neighborly relations of all governments truly animated by the will to avoid incidents dangerous to peace.

3. The Polish Government gives the Lithuanian Government forty-eight hours from the time of the delivery of this note to accept this proposal by communicating that they agree to accredit diplomatic representatives at Kaunas and at Warsaw not later than the 31st of March of this year. Up to that date all conversations of technical or other character between the Polish and Lithuanian Governments must be carried on by their envoys extraordinary and ministers plenipotentiary at Tallinn.

<sup>1</sup> Author's translation from the French.

## POLISH ULTIMATUM

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The exchange of the notes herewith included regarding the establishment of diplomatic relations must take place before the expiration of the above-mentioned delay of forty-eight hours between the Ministers of Poland and Lithuania at Tallinn. 648

4. The above-mentioned proposal cannot be the object of a discussion either as regards contents or form—it is a proposition *ne varietur*.

Failure to reply or the proposal of any supplements or reservations whatever will be considered by the Polish Government as a refusal. In this negative case the Polish Government will guarantee the just interests of their State by measures of their own.

ANNEX TO THE NOTE <sup>2</sup>

Excellency, by order of my Government I have the honour to communicate the information that the Lithuanian Government have decided beginning from today to establish normal diplomatic relations between Lithuania and Poland and to this end establish a Legation at Warsaw. The duly accredited Lithuanian Minister will deliver his credentials at Warsaw by 31st March of the present year, at the latest.

The Lithuanian Government for their part guarantee to the Polish Legation at Kaunas the conditions for normal functioning and to this purpose will guarantee, beginning with the 31st of March of the present year, the possibility of direct communication by land, water, air, post, telegraph, and telephone between this Legation and the Polish Government.

<sup>2</sup> This Annex to the Note was signed upon instructions from the Lithuanian Government by the Lithuanian minister at Tallinn, Bronius Dailide, and delivered at the Polish Legation in Tallinn on March 19, 1938, at twelve noon, as demanded.

## Appendix E

• 648

LITHUANIAN-RUSSIAN PACT  
FOR MUTUAL ASSISTANCE<sup>1</sup>

A treaty on the transfer of the city of Vilnius (Vilna) and the Vilnius region to the Republic of Lithuania and on mutual assistance between Lithuania and the USSR:

PRESIDENT OF THE REPUBLIC OF LITHUANIA on the one side and the SUPREME SOVIET OF THE USSR on the other side;

For the purpose of developing the friendly relations established by the peace treaty of July 12, 1920, and based on the recognition of an independent state existence and nonintervention in the internal affairs of the other party;

Recognizing that the peace treaty of July 12, 1920, and the pact on nonaggression and peaceful settlement of conflicts of September 28, 1926, continue to form a firm basis for their mutual relations and undertakings;

Convinced that a definition of the exact conditions insuring mutual security and a just settlement of the questions of State appurtenance of the city of Vilnius and the Vilnius region, unlawfully wrested from Lithuania by Poland, meet the interests of both contracting parties;

Found it necessary to conclude the following treaty on the transfer of the city of Vilnius and the Vilnius region to the Republic of Lithuania and on mutual assistance between the Soviet Union and Lithuania and appointed for this purpose their authorized representatives:

For the President of the Republic of Lithuania: Juozas Urbsys, Minister of Foreign Affairs; for the Presidium of the

<sup>1</sup> Author's translation from the Lithuanian.

## LITHUANIAN-RUSSIAN PACT 129

Supreme Soviet of the USSR: Vyacheslaff Molotoff, Chairman of the Council of the People's Commissar of Foreign Affairs;

And these authorized representatives, on mutual presentation of their credentials, found in due form and good order, agreed on the following:

### ARTICLE I

For the purpose of consolidation of friendly relations between Lithuania and the Soviet Union, the city of Vilnius and the Vilnius region are transferred by the Soviet Union to the Republic of Lithuania and included in the territory of the Lithuanian State, the boundary between the Soviet Union and the Republic of Lithuania being established in accordance with a map appended hereto, which boundary shall be specified in more detail in a supplementary protocol.

### ARTICLE II

The Republic of Lithuania and the Soviet Union undertake to render each other every assistance, including military, in event of aggression or menace of aggression against Lithuania as well as in event of aggression or menace of aggression against the Soviet Union over Lithuanian territory on the part of any European power.

### ARTICLE III

The Soviet Union undertakes to render the Lithuanian army assistance in armaments and other military equipment on favorable terms.

### ARTICLE IV

The Republic of Lithuania and the Soviet Union undertake jointly to effect protection of the state boundaries of Lithuania, for which purpose the Soviet Union receives the right to maintain at its own expense, at points in the Republic of Lithuania established by mutual agreement, Soviet land and air armed

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642 forces of strictly limited strength. The exact location of these troops and the boundaries within which they may be quartered, their strength at each particular point, and also all other economic and administrative questions, questions of jurisdiction, and other questions arising in connection with the presence of Soviet armed forces on Lithuanian territory under the present treaty shall be regulated by special agreements. The sites and buildings necessary for this purpose shall be allotted by the Lithuanian Government on lease terms at a reasonable price.

## ARTICLE V

In the event of menace of aggression against Lithuania or against the USSR over Lithuanian territory, the two contracting parties shall immediately discuss the resulting situation and take all measures found necessary by mutual agreement to secure the inviolability of the territories of the contracting parties.

## ARTICLE VI

The two contracting parties undertake not to conclude any alliances or participate in any coalition directed against either of the contracting parties.

## ARTICLE VII

Fulfillment of this treaty shall not affect in any way the sovereign rights of the contracting parties, in particular their state organization, economic and social systems, military measures, and generally the principle of nonintervention in internal affairs. The locations of the Soviet land and air armed forces (in Article III of this treaty) under all circumstances remain a component part of the territory of the Republic of Lithuania.

## ARTICLE VIII

The term of validity of this treaty in regard to the undertakings for mutual assistance between the Republic of Lithuania and the USSR (Articles II and VII) is for fifteen years and

## LITHUANIAN-RUSSIAN PACT 131

unless one of the contracting parties finds it necessary to denounce the provisions of this treaty established for a specified term of one year prior to expiration of that term, these provisions shall automatically continue to be valid for the next ten years. 648 ●

### ARTICLE IX

This treaty comes into force upon exchange of instruments of ratification. Exchange of these instruments shall take place in Kaunas within six days from the day of signature of this treaty. This treaty is made in two originals, in the Lithuanian and the Russian language, at Moscow, October 10, 1939.

JUOZAS URBSYS  
VYACHESLAV MOLOTOFF

## A. FOREIGN TRADE

### 1. Politico-Commercial Review.

651 The general tariff regulations are embodied in the Customs Law of July 19, 1924 (Government Gazette No. 164/1, No. 1153), and the Customs duties in the Customs Tariff of April 3, 1925 (Government Gazette 187/1269); the latter especially has been supplemented and amended by numerous later laws.

• [648] On the basis of the decision of the Conference of Ministers for Foreign Affairs of the three Baltic States to accept the draft of a uniform Customs Tariff elaborated and recommended by a League of Nations Commission, for the purpose of unifying the Customs nomenclature in Lithuania, Latvia, and Estonia, a new Customs Tariff will shortly also be introduced in Lithuania. The preliminary work is already in progress, and a new Lithuanian Customs Tariff will at latest at the beginning of 1940 come into force.

The Lithuanian Customs Tariff recognizes only specific rates, i. e. the duty is levied on the weight of the goods; only for leather footwear and dressed furs is a limited minimum *ad valorem* duty provided.

Besides the ordinary Customs Tariff, there are also extraordinary Customs rates, which are increased by 200% and are applied to goods from countries with which Lithuania has no commercial treaties.

With the exception of a few articles (untempered iron, round timber, raw wool, raw cotton, artificial fertilizers, agricultural machinery) all goods are subject to duty.

The Customs returns form an important source of State finance, and their share in the total revenues of the Treasury

457 before the introduction of the licence system in Lithuania, we had only two active and fourteen passive trade-balances with sixteen countries to which accrued approximately 85% of our foreign trade turnover. Thanks to the licence system, already in 1937 eight balances became active. This therefore shows us that the licence system successfully fulfils its purpose. The statistical data in regard thereto are later cited.

Later than elsewhere, for the first time at the end of 1935, likewise with a view to adaptation to the restrictions in force in most neighbouring countries, exchange control was introduced in Lithuania. The Regulations concerning this matter are contained in the Law on Transactions in Foreign Currency of October 1, 1935 (Government Gazette, 501/3480) and in the Decree regarding operations with foreign currency of November 14, 1935 (Government Gazette, 509/3537).

In connexion with exchange control, Lithuania has concluded special clearing agreements with several countries where currency business is also State controlled. Through the Lietuvos Bankas (Bank of Lithuania) accounting accounts are conducted to-day with Germany, Finland, Greece, Italy, Latvia, and Hungary.

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439 With all the more important trade clients Lithuania has concluded politico-commercial agreements. The following list comprises a comparison of all the ratified and at present valid commercial agreements of Lithuania with 21 States:

**List of the existing Valid Commercial Agreements of Lithuania with other Countries.**

**1. Belgium - Luxemburg:**

(a) Provisional Commercial Agreement of August 16, 1928 (Government Gazette, 289/1897).

(b) Arrangement on the application of the foreign Commercial Agreement also to the Belgian Congo and the Belgian mandated territory of Ruanda-Urundi, of February 10, 1936, ratified on February 29, 1936 (Government Gazette, 524/3636).

**2. Brazil:**

Provisional Commercial Agreement of September 28, 1937 (Government Gazette, 599/4198).

### 3. Denmark and Iceland:

(a) Commercial and Navigation Treaty with Denmark of March 21, 1930, ratified on March 14, 1931 (Government Gazette, 352/2405).

(b) Commercial and Navigation Treaty with Iceland, of March 21, 1930, ratified on March 14, 1931 (Government Gazette, 352/2406).

### 4. Germany:

(a) Commercial and Navigation Treaty of October 30, 1928, ratified on February 12, 1929 (Government Gazette, 295/1951).

(b) Goods Agreement of August 5, 1936.

(c) Accounting Agreement of August 5, 1936 (both published in Government Gazette, 552/3839).

(d) Agreement on small frontier communication of August 5, 1936 (Government Gazette, 552/3840); all three Agreements ratified on August 21, 1936.

(e) Arrangement on the extension of the duration of validity of the Economic Agreement of August 5, 1936, signed on June 19, 1937, ratified on August 2, 1937 (Government Gazette, 584/4061).

(f) Arrangement on the extension of the duration of validity of the Economic Agreement of August 5, 1936, signed on June 25, 1938, ratified on July 30, 1938 (Government Gazette, 617/4366).

### 5. Estonia:

Commercial Agreement of January 13, 1934, ratified on April 22, 1934 (Government Gazette, 443/3101).

### 6. Finland:

(a) Provisional Commercial Agreement of October 6, 1928, in force since October 15, 1928 (Government Gazette, 289/1898).

(b) Agreement on the extension of the most-favoured-nation treatment of June 21, 1932, in force since October 1, 1932 (Government Gazette, 398/2731).

(c) Clearing Agreement of April 12, 1938, ratified on May 31, 1938 (Government Gazette, 611/4303).

7. France:

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439 (a) Modus Vivendi of July 18, 1928, in force since August 15, 1928 (Government Gazette, 283/1810).

(b) Appended Agreement to Modus Vivendi of April 9, 1932, ratified on June 28, 1932 (Government Gazette, 387/2661).

(c) Extension of Modus Vivendi to the French colonies and protectorates, of September 21, 1935 (Government Gazette, 511/3543).

8. Great Britain:

(a) Commercial Agreement of May 6, 1922, in force since May 6, 1922, together with Exchange of Notes on its application to the British colonies and protectorates, of April 24 and September 29, 1923, in force since September 29, 1923, ratified on March 24, 1926 (Government Gazette, 231/1497).

(b) Exchange of Notes on the application of the above Commercial Agreement to Canada, of July 17 and August 31, 1928, in force since September 15, 1928 (Government Gazette, 283/1811).

(c) Exchange of Notes on the application of the foregoing Commercial Agreement to India, Ireland, South Africa, Australia, New Zealand, and Tasmania, of December 11 and 12, 1928, („Lietuvos sutartys su svetimomis valstybėmis“ — Treaties of Lithuania with foreign States) — International Treaties, No. 95).

(d) Commercial Treaty of June 6, 1934, ratified on July 17, 1934 (Government Gazette, 454/3162).

(e) Exchange of Notes of February 6, 1935, on the rectification of the Customs duties on oranges in the Commercial Treaty of June 6, 1934 (Government Gazette, 482/3372).

9. Holland:

Commercial Agreement of June 10, 1924, ratified on March 24, 1926 (Government Gazette, 231/1503).

10. Italy:

Commercial Agreement of September 17, 1927, ratified on January 17, 1928 (Government Gazette, 270/1746).

11. Japan:

Commercial and Navigation Treaty of May 2, 1930, ratified on June 9, 1931 (Government Gazette, 371/2537).

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12. Latvia:

(a) Commercial Treaty of April 10, 1935, ratified on April 13, 1935 (Government Gazette, 481/3367).

(b) Clearing Agreement of April 10, 1935, ratified on April 13, 1935 (Government Gazette, 481/3368).

(c) Appended Arrangement to the Clearing Agreement of November 30, 1936, ratified on December 14, 1936 (Government Gazette, 562/3898).

13. Norway:

Commercial and Navigation Treaty of December 21, 1923, ratified on July 31, 1924 (Government Gazette, 172/1195).

14. Portugal:

Commercial Agreement of April 12, 1932, ratified on May 11, 1932 (Government Gazette, 384/2648).

15. Rumania:

Commercial Agreement of March 28, 1931, ratified on June 9, 1931 (Government Gazette, 362/2473).

16. Sweden:

(a) Commercial Agreement of February 17, 1924, ratified on March 24, 1926 (Government Gazette, 231/1506).

(b) Arrangement on Certificates of Origin, of July 1, 1937, in force since August 1, 1937 (Government Gazette, 587/4093).

17. Switzerland and Lichtenstein:

(a) Provisional Commercial Agreement of October 28, 1922 and

(b) Exchange of Notes on its application to Lichtenstein, of March 15, 1925, ratified on March 24, 1926 (Government Gazette, 231/1506).

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439 18. Czecho-Slovakia:

Commercial Agreement of April 27, 1923, ratified on October 26, 1923 (Government Gazette, 144/1030).

19. Hungary:

(a) Commercial and Navigation Treaty of May 16, 1929, ratified on November 12, 1929 (Government Gazette, 314/2118).

(b) Accounting Agreement of November 12, 1937, ratified on December 30, 1937 (Government Gazette, 597/4170).

20. U. S. S. R.:

(a) Arrangement on the reciprocal granting of most-favoured-nation treatment, of September 24, 1928 (Government Gazette, 285/1848).

(b) Protocol and Exchange of Notes on the legal-status of commercial representatives of the U. S. S. R. in Lithuania and on the reciprocal transit communication of August 29, 1931, ratified on September 20, 1931 (Government Gazette, 306/2499).

21. United States of America:

Commercial Agreement of December 23, 1925, ratified on March 24, 1926, in force since July 10, 1926 (Government Gazette, 231/1496).

Trade negotiations are at present proceeding with several other nations, including Turkey, the Argentine, and latterly with Poland.

As regards the contents of the above enumerated agreements, it should be noted that they all without exception contain the most-favoured-nation clause. Nevertheless the most-favoured-nation treatment which, on the part of Lithuania, is assured to the other countries, does not extend to the concessions which Lithuania grants to both the other Baltic States, i. e. Latvia and Estonia.

[651] Reduced treaty Customs duties have been arranged only with Latvia, Estonia, France, and Great Britain.

The overwhelming majority of the commercial agreements quoted in the above list were concluded during the last ten years. An impetus to accelerated conclusion of commercial

agreements with Lithuania was imparted by the introduction of the Extraordinary Tariff through the Law of September 24, 1928 (Government Gazette, 284/1828), whereby goods from non-treaty countries are subject to a double duty on import into Lithuania. Through the later Law of December 22, 1931, (Government Gazette, 372/2544) this Tariff was raised to 300% of the ordinary Customs levies. In connexion therewith an important rôle in the imposition of import duties is played by certificates-of-origin, which must prove that the goods proceed from a country to which the increased duties are not applied. Certificates-of-origin are recognized as legally correct if they are drawn up by the Lithuanian diplomatic and consular representatives abroad or by the chambers of commerce, chambers of agriculture and custom-houses of the country of origin. With Estonia, Italy, Latvia, Sweden and the U. S. S. R. special arrangements on this subject have been effected as the result of which certificates-of-origin drafted by other public bodies are recognized as valid. In lieu of certificates-of-origin, other documents (invoices, bills-of-lading, &c.) may also be submitted, which, however, must be legalized by the Lithuanian representation abroad. Legalization is also required for all certificates-of-origin which are drawn up in respect of goods intended for re-export, originating from third countries, with the exception of Germany, where certification may be effected through chambers of commerce and agriculture or through a custom-house.

For mail parcels no certificates-of-origin are demanded, if the article is sent direct from the country of origin.

Besides the above enumerated commercial agreements, Lithuania has concluded special compensation arrangements with various countries, including Belgium, Denmark, Germany, Great Britain, Holland, Switzerland, and the U. S. S. R. These are renewed annually, and the scope of reciprocal goods traffic and the import quotas respectively determined.

In the goods agreement with Germany the creation of an arrangement unknown in erstwhile politico-commercial practice, i. e. a mixed economic commission, has been provided for, which is to superintend the development of goods traffic at periodical conferences. This new arrangement appears to have justified itself.

of the native population and the progressive consolidation of <sup>652</sup>  
our economic independence.

The following table shows the position of the foreign and <sup>652</sup>  
domestic debts on December 31, 1937 (in 1 000 litas): <sup>457</sup>

<sup>648</sup> ●

### I. Foreign Debts.

|                                                     |          |
|-----------------------------------------------------|----------|
| Debts to the U. S. A. ....                          | 44 222.5 |
| Debts to Great Britain .....                        | 1 161.8  |
| Liberty Loan .....                                  | 3 675.5  |
| Match Monopoly Loan .....                           | 25 738.9 |
| Debts for the Administration of the Memel Territory | 1 232.5  |
| Debts For Public Works .....                        | 2 507.8  |

Total: 78 539.0

### II. Domestic Debts.

<sup>652</sup>

|                                               |          |
|-----------------------------------------------|----------|
| 4 $\frac{1}{2}$ % Domestic Loan of 1935 ..... | 16 195.0 |
| 4 $\frac{1}{2}$ % Domestic Loan of 1936 ..... | 15 000.0 |
| Treasury Bills of 1937 .....                  | 3 029.5  |
| State Debt Debentures .....                   | 57.9     |
| Debts for War Charges .....                   | 1 620.4  |
| Debts for Public Works .....                  | 4 192.6  |

Total: 40 095.4

Total Public Debt 118 634.4

Our State Debts can be divided into two categories:

<sup>652</sup>

(a) Debts from the time of the struggle for freedom and <sup>648</sup>  
the first years of independent Lithuania; this period terminated <sup>457</sup>  
approximately in 1923;

(b) Debts of a later period, which were contracted solely  
for the purpose of economic reconstruction.

To the former group belong:

1. The debt to the United States, which originated from  
1919 and was contracted for various medicaments, clothing,

652 and foodstuffs obtained from the American military camps in  
● 648 France and from the American Relief Administration. The  
457 residue of the debt was fixed by the Treaty of 1924 at  
60 000 000 litas (\$ 6 000 000).

2. The debt to Great Britain of 1920 for war material deliveries to the amount of 7 300 000 litas (£ 150 000).

3. The Liberty Loan was realized between 1919 and 1925 in America from the local Lithuanians for the purposes of organization of defence of Lithuania and for goods purchases, to the amount of 18 500 000 litas (\$ 1 850 000).

4. The debt to the Allied Powers for the administrative costs of the Memel Territory was consolidated in 1930 for 9 100 000 litas, of which 8 900 000 pertained to France and 200 000 litas to Great Britain.

652 5. The promissory-notes of the State Treasury, which between 1921 and 1923 were issued to the amount of 36 600 000 Ost mark.

6. The so-called War Money Charges Certificates, a sort of extraordinary tax, which in the first years of Lithuanian independence were obtained from the urban population and all commercial and industrial undertakings. These tax certificates are redeemed according to a specified plan at 50% of the face value.

Of the above-mentioned debts belonging to the category of the liberation period there remains at present still unredeemed a total of 50 700 000 litas.

Of the second group, that is of the loans that were utilized for economic investment, the following are noteworthy:

(a) The Match Monopoly Loan, which was contracted in 1930 in Sweden for the transfer of the Match Monopoly to the Swedish Joint-stock Match Manufacturing Company, to the amount of 60 000 000 litas (\$ 6 000 000), of which, however, only 45 000 000 litas (\$ 4 500 000) was realized, and

(b) The debts for public works which were incurred for the construction of the Telšiai - Kretinga Railway, to the amount of 15 700 000 litas; for the expansion of Memel port, to the amount of 4 200 000 litas; and for the erection of two bridges in Kaunas, to the amount of 1 700 000 litas;

(c) The two domestic loans, viz., of 18 000 000 litas in 1935 and of 15 000 000 litas in 1936.

*[Lithuanian Constitution as of April 7, 1948]*

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829 Art. 14. The Lithuanian SSR consists of the districts of Alitus, Anikshchynai, Birzhai, Varana, Vilkavishkis; Vilnyus, Zarasai, Iemishkis, Kaishydoris, Kaunas, Kedainiai, Kelmena, Klaipeda, Krotings, Kupishkis, Kurakonai, Lasdiyai, Masheikiai, Marijampole, Pagėgyai, Panevashis, Pasvalis, Plunge, Pronei, Radvilishkis, Rastinyai, Rėkiskis, Taurage, Telshai, Trakai, Ukmerge, Utyana, Shakiyai, Shvenchonis, Shilute, Shyauliai, Yurbarkas; and of the cities of Vilnius, Kaunas, Klaipeda, Shyauliai and Panevashis which do not form part of districts.

Art. 15. The Lithuanian SSR reserves the right freely to secede from the Union of Soviet Socialist Republics.

Art. 16. The territory of the Lithuanian SSR may not be altered without its consent.

[70] Art. 16a. The Lithuanian SSR has its own Republican military formations.

[648] Art. 16b. The Lithuanian SSR has the right to enter into direct relations with foreign states and to conclude agreements and exchange diplomatic and consular representatives with them.

Art. 17. The laws of the USSR are binding within the territory of the Lithuanian SSR.

[24] Art. 18. Every citizen of the Lithuanian SSR is a citizen of the USSR. Citizens of all other Union Republics enjoy on the territory of the Lithuanian SSR equal rights with citizens of the Lithuanian SSR.

Art. 19. The jurisdiction of the Lithuanian SSR, as represented by its higher organs of state power and organs of state administration, embraces:

a) Adoption of the Constitution of the Lithuanian SSR and control over its observance;

b) Establishment of the administrative-territorial divisions of the Lithuanian SSR and of the boundaries of districts and volosts;

c) Legislation of the Lithuanian SSR;

d) Maintenance of public order and safeguarding the rights of citizens;

e) Approval of the national-economic plan of the Lithuanian SSR;

f) Approval of the state budget of the Lithuanian SSR and of the report on its fulfillment;

g) Determination of state and local taxes, imposts and non-tax revenues in conformity with the laws of the USSR, as well as direction of the fulfillment of local budgets;

h) Direction of insurance and savings;

i) Administration of the banks, industrial, agricultural and trading enterprises and organizations subordinate to the Republic, as well as direction of local industry;

j) Control and superintendence of the condition and administration of enterprises subordinate to the Union;

k) Establishment of the procedure governing the use of land, mineral wealth, forests and waters;

l) Direction of dwelling-houses and the municipal economy, dwelling house construction and the modernization of cities and other inhabited places;

m) Road Building; direction of local transport and communications;

645 cultural life. The lack of communist intellectuals made itself felt not only in the narrow sphere of university life from which professors imbued with 'bourgeois anti-scientific ideas' could not be ousted quickly enough, but it also put a brake on 're-education' in the Soviet sense of the masses of the Latvian people.<sup>30</sup>

## LITHUANIA: BOTH ALLY AND VICTIM

Li. 648 [81] In terms of geography the Soviet Baltic Republics are not fully identical with the 'bourgeois' Baltic States. Both Estonia and Latvia have each lost to the R.S.F.S.R. border territories of about 800 square miles. Soviet Lithuania, however, has added to her pre-September 1939 territory 3,200 square miles in the east and more than 1,000 square miles in the south.

This difference in treatment seems clearly to indicate that the U.S.S.R. considered Lithuania useful from the point of view of Soviet foreign policy, whereas Estonia and Latvia were from the Soviet Russian standpoint no more than internal problems of the Soviet Union.

Furthermore, her geographical position made Lithuania much more valuable to Russia than Estonia and Latvia. Lithuania had common frontiers with two big European nations, Poland and Germany. Russia had thus an obvious interest in using Lithuania against both of them as a pawn in the diplomatic and military game.

This is why relations between Russia and Lithuania during the inter-war period were on a different footing from Russian-Latvian or Russian-Estonian relations. In Soviet eyes Lithuania was an oppressed nation deserving sympathy ever since Poland had wrested from her the city of Vilnius (Vilna in Russian, Wilno in Polish) by a *coup de force* in November 1920. This feeling was but little affected by the fact that the country was ruled most of the time by right-wing régimes which oppressed the local communists.

A Comintern appeal to the world proletariat, issued in 1928 in defence of Lithuanian independence, was perhaps the most striking evidence of the special position which Lithuania occupied among the Baltic States with regard to her relations with Russia. The appeal in question, adopted by the Sixth World Congress of the Comintern, referred to the hostile intentions which the Polish Marshal Pilsudsky never ceased to harbour against the small Lithuanian State and called upon the workers of Poland, Britain, France and Germany to give unrestricted support to the Lithuanian workers and peasants.

Li. 648 361 The Soviet Government always considered that Vilna should belong to Lithuania, it being her historical capital, even though the Lithuanians formed only a tiny percentage of its population. When Russia and Lithuania concluded the peace treaty of September 28th, 1920, the

1/2 [cf. cat. 116, p. 116, R1 Sov. Union, 21; Kolarz -- Analyst]

## THE BALTIC SOVIET REPUBLICS

Soviet Government allocated to Lithuania the city and district of Vilna, and thereafter the Russian attitude never wavered in its opposition to the Polish annexation of the Vilna area. Li.  
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Lithuania also never recognized the loss of her capital and gratefully acknowledged the Soviet attitude in a question in which the entire Lithuanian national prestige was engaged. Lithuania therefore refused to join any anti-Soviet coalition. As early as 1923 she reacted favourably to a Russian offer of a guarantee pact, and in 1926 the Soviet-Lithuanian Guarantee Treaty was signed, the first to be concluded by Russia with one of her western neighbours. In October 1939, Russia having, in co-operation with Germany, liquidated the Polish Republic, handed over to Lithuania the long-coveted Vilna district. According to Polish statistics the territory which had been added to the Lithuanian Republic had over 500,000 inhabitants, of whom 11.3 per cent were Lithuanians, 3.3 per cent Jews, 2.5 per cent Byelorussians and 69.2 per cent Poles. In the town of Vilna itself at the time of the Polish census in 1931, only 1 per cent of all inhabitants gave Lithuanian as their mother tongue; and even as late as 1943 Lithuanians accounted for only 21.7 per cent of Vilna's population. By giving Vilna to Lithuania the Soviet Government made a present which cost them nothing. Indeed, Vilna turned out to be a present given by Russia to Russia. Nine months after the incorporation of Vilna into Lithuania the Soviet Union not only recovered that city but annexed the whole of Lithuania through its transformation into a Soviet Republic. A popular Lithuanian saying gives the whole situation in a nut-shell: 'Vilnius is ours, but Lithuania is Russia's'. Li.  
[62]

Not only the Soviet occupation as such but also the shifting of the capital from Kaunas (Kovno) to Vilna, is detrimental to the interests of the Lithuanian people. While Kaunas, the emergency capital of the inter-war period, was located in the very centre of the Lithuanian 'living-space', Vilna is situated at the ethnical border between Lithuanians and Byelorussians, and is thus strongly exposed to Slav influence. Li.  
361  
17736

From the Russian point of view Lithuanian national aspirations not only represented a useful pretext for pressing Poland back to the west, but they also helped towards the establishment of the 'unity of the Njeman valley'. The Njeman - called Memel by the Germans and Nemunas by the Lithuanians - has its source in Byelorussia and is an important means of communication for the Russian timber export trade. Up to 1945 Russia had never controlled the entire course of the river. In Czarist times the mouth of the Njeman was in German hands. In the inter-war period its middle course belonged to Poland, while its mouth had a dramatic history. In January 1923 Lithuania occupied the river mouth together with the port and district of Memel (Klaipeda in Lithuanian), a territory with 150,000 inhabitants, most of them German- 504  
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